



September 30, 2013

Supplemental Letter for Agency 305
FY 2013 Annual HUB Report

The Texas General Land Office (GLO) continues its commitment toward the success of the Historically Underutilized Business (HUB) Program and submits this summary as a statement of the GLO's good faith efforts toward meeting the Agency's HUB program goals for the reporting period of September 1, 2012 through August 31, 2013.

A significant portion of the GLO's budget is spent on products and services where HUBs are not available or are not captured in HUB reporting, i.e. bulk electricity, natural gas and gas transportation (pipeline). The GLO, through its representative, Reliant Energy Power Supply, purchases electricity from HUBs for the GLO State Power Program. Electricity purchases from HUBs are accomplished through a program that includes multiple procurement paths, such as the Reverse Auction Opportunity Program, bi-lateral contracting and brokerage transactions. The program is open to participation by multiple, qualified HUBs. In addition, GLO purchases power from Cavallo Energy Texas, LLC, a State of Texas certified HUB.

For the FY 2013 reporting period, 2,705,478 MWh of electricity were purchased from HUBs for State Power Program customers. The volume purchased from HUBs equates to approximately 42% of the total State Power Program electricity sales volume for the reporting period. The estimated total value of State Power Program electricity sales for the period was \$533.7 million.

The GLO spent close to 90% of its "Other Services" budget on operator contracts for the veterans homes and cemeteries; however new internal procedures will capture the operator subcontracting opportunities.

The GLO utilized the following vendor in the State Bond Issuance Program: Lannen & Oliver P.C. Although this vendor was certified as a HUB in the past and has since graduated, we continue to do business with them.

With the new Veteran HUB category, GLO expects to capture participation from our veterans through the different agency programs we have in place, such as the veterans homes and cemeteries.

This supplementary letter is presented to show GLO's continued good faith effort in utilizing HUBs. The GLO will continue its efforts to increase the HUB participation by encouraging and assisting qualified vendors to become certified and further promote the HUB Subcontracting initiative.

For questions and further information, I can be reached at 512-463-7983 or maya.ingram@glo.texas.gov.

Sincerely,

Maya Ingram
HUB Coordinator

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495
P.O. Box 12873 • Austin, Texas 78711-2873
512.463.5001 • 800.998.4GLO
glo.texas.gov